APRIL 2024

PART

Plan of Action for Regional Transit

ACTION GUIDE

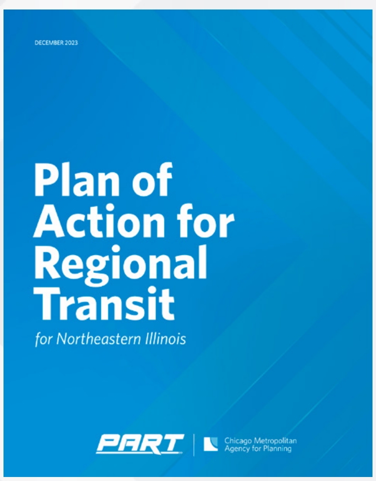
Chicago Metropolitan Agency for Planning

INTRODUCTION & ACTION GUIDE OVERVIEW

Northeastern Illinois' transit system is in crisis — facing a drastic funding cliff of more than $730 million annually by 2026.

Transit providers alone cannot solve this challenge through service cuts or fare increases. Doing nothing will have enormous costs. Big, bold solutions are needed to secure the financial viability of our region's transit system and avoid cascading social, economic, and environmental impacts.

To address these challenges and set our transit system on the right path, the State of Illinois approved Public Act 102-1028, which directed the Chicago Metropolitan Agency for Planning (CMAP) to develop a series of legislative options to strengthen and improve the financial viability of the region's transit system — the Plan of Action for Regional Transit (PART).



This guide is intended to serve as a summary of the report's actions for the state. To view the full report, supplemental memos, or other PART materials, please visit: **cmap.is/PART**.

What is in the report?

PART offers needed actions across three categories:

The system we want: Rebuilt public confidence, increased ridership, and improved user experiences that are seamless and affordable.

How to pay for it: Reforms and funding options that close the operating budget shortfall and build the transit system the region wants.

How to implement it: Reforms that modernize governance structures and funding distribution.

How was the report developed?

CMAP convened a steering committee of regional stakeholders, representing civic, community, business, environmental, and labor perspectives to develop PART. The report was also informed by engagement with the CMAP Board, MPO Policy Committee, and other public bodies, such as county boards and municipal councils of governments.

PART also includes input from the public through focus groups and builds on the significant public engagement completed by the Regional Transportation Authority (RTA) in its strategic planning process.

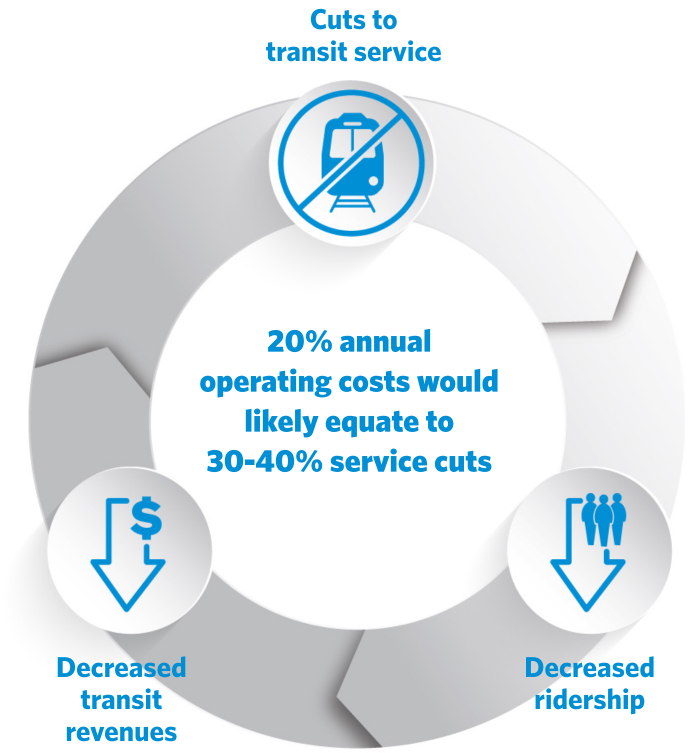
Among many other documents, PART builds on the recommendations laid out in the region's long-range plan, ON TO 2050; RTA's strategic plan, Transit is the Answer; and CMAP's post-pandemic planning effort, Mobility Recovery.

WHY THIS MATTERS

Transit is critical to the success of northeastern Illinois and the state. This funding crisis has the potential to decimate service, cripple local economies and downtowns reliant on transit, worsen greenhouse gas emissions and air pollution, and diminish quality of life for residents. Advancing the principles of an inclusive and thriving region is only possible with a robust and effective public transit system.

Investing in transit will also help the state build upon existing policies and initiatives. The investments and reforms detailed in PART would complement Rebuild Illinois and its historic commitment to transportation capital funding. PART is also critical to the success of the Climate and Equitable Jobs Act, which sets ambitious goals for reducing greenhouse gas emissions in the state. Without a robust transit system, the region and the state will face much greater difficulties in achieving these goals at the scale and timeline needed.

Figure 1. The vicious cycle of service cuts



Without new funds, CTA, Metra, and Pace would have limited options to address the anticipated shortfall. The most likely of these would be a combination of fare increases and service cuts. These service cuts would spur a vicious cycle of lowered ridership, reduced fare revenue, and further service cuts needed to address a growing budget gap. This is not a feasible option if we want our region and state to thrive.

Notably, closing the gap would not account for any additional operational investments required to expand service, nor does it account for new capital investment funding to address maintenance backlogs or improve the region's transit system.

Regional success relies on transit. The multitude of individuals involved in PART's development believe that a well-connected, accessible, reliable, and affordable transit system will make us stronger. The time is now for Illinois leaders to make this vision a reality.

PART RECOMMENDATIONS: ACTION GUIDE

SYSTEM WE WANT

The public transit system in northeastern Illinois is one of our greatest assets, offering residents and visitors access to mobility options throughout the region. Whether by bus, rail, or paratransit, transit moves almost a million people every day. The benefits of that system also extend far beyond just transit riders. A more robust transit system alleviates roadway congestion for those who need to travel by car.

The COVID-19 pandemic exacerbated some longstanding challenges to the region's transit system. It also introduced new ones. As the fiscal cliff looms, the state is uniquely empowered to equip transit to succeed. By acting across the many issues that impact transit's success, the state could unlock a virtuous cycle, rather than a downward spiral — with service, ridership, mobility, and regional connectivity growing in tandem.

Focus on transit service

The report's central goal is to ensure that transit is an attractive and reliable option for travelers throughout the region. PART includes actions across many topics, but all of them rely on transit service to be there, when and where residents need it. Accordingly, the most pivotal action is to close the looming fiscal gap and improve the system beyond its current state. This would allow for more robust levels of transit service than existed pre-pandemic.

Action #1
Provide sufficient funding to restore and expand the frequency, reliability, and availability of transit service throughout the region. Paired with the new funding, require transit service providers to develop an overarching regional transit service framework to guide decision-making on future service improvements and related capital investments.

Operating costs: $1-$1.25B annually

Capital costs: At least $50-$150M annually (not including state of good repair needs discussed below)

Provide integrated and affordable fares

Transit fares are a vital source of operating revenue for the region's transit system. The region must take a balanced approach to ensuring fares keep pace with the rising cost of providing service while keeping transit affordable for those who rely on it most. Additionally, fare integration will provide an important pathway toward a more seamless rider experience regardless of mode.

Action #1
Establish and fully fund regional fare subsidy programs that include youth and riders with low income.

Operating costs: $15-$150M, depending on scale of program

Action #2
Require the region's transit providers to implement a fare structure that includes fare capping, enabling riders to pay on a per-ride basis and not exceed the cost of a weekly/monthly pass.

Operating costs: Depends on implementation structure; rates can be adjusted to be revenue neutral

Capital costs: $25-50M

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Action #3

Fully integrate fares among the three service boards by (1) unifying fare system payment and administration methods and (2) aligning fare structures across agencies for similar trips.

Operating costs: $10M/year for administration and maintenance; fare revenue impacts would depend on fare structure

Capital costs: More than $100-$150M in one-time implementation costs with periodic replacement

Action #4

Support greater integration between the service boards and other complementary modes by (1) integrating fare structures with other transit/rail providers (e.g., Amtrak, NICTD) and shared micromobility systems (e.g., Divvy) and (2) requiring data sharing from ride hailing services (Uber, Lyft) to better understand how they complement or compete with transit.

Operating and capital costs: Variable depending on implementation approach

Action #5

Grant transit agencies authority to perform fare inspections and issue fare violation tickets using non-law enforcement personnel, enabling a transition to off-board fare payment for Metra and all-door bus boarding for CTA and Pace.

Operating costs: Could be designed to be revenue neutral (staff costs offset by enforcement fines)

Action #6

Require transit providers to consider regularly recalculating base fares and passes based on the rate of inflation.

Operating costs: Estimated $100M additional annual revenue by 2026 to partially offset inflation

Enable faster and more reliable bus service

The state can enable faster and more reliable bus service by expanding resources for planning, staffing, and enforcing bus priority initiatives. These efforts would allow transit providers to offer more service for the same cost, increasing efficiency while also improving the customer experience.

Action #1

Require and fund the creation of a regional plan for bus priority investments and an interagency bus priority working group to develop and implement the plan. Provide dedicated funding for implementation.

Operating costs: Staff costs (potentially $1-2M effort)

Capital costs: $25-100M annually for implementation of recommendations

Action #2

Require and fund the creation of new positions within IDOT, CDOT, and other local and county governments to support bus priority project implementation.

Operating costs: $1-2M annually

Action #3

Authorize the use of cameras mounted on buses for automated enforcement of moving and standing violations for bus lanes and stops.

Operating costs: N/A (revenue positive; any incremental funds should support bus priority investments)

Capital costs: Capital costs: N/A (revenue neutral)

Bolster public confidence in the system

The region's transit system needs to ensure riders it will be able to get them to their destination safely, securely, cleanly, and with dignity. These improvements — in concert with reforms outside the scope of the transportation system — can foster a more positive rider experience and attract new riders.

Action #1

Require and fund a pilot transit ambassadors program to increase staff presence on transit.

Operating costs: $20-40M annually

Action #2

Direct state agencies to partner with transit providers and other stakeholders (e.g., research organizations, private social services providers) to address social services and public safety concerns on the region's transit system.

Operating costs: Staff time

Action #3

Invest in infrastructure that addresses riders' concerns about transit security, improves system cleanliness, and improves two-way communication between transit riders and operators. Require enhanced monitoring and reporting of transit system safety outcomes and best practices.

Operating and capital costs: Minimum of $25M in new annual support for safety, security, and cleanliness investments across operating and capital expenses would enable visible progress. Greater funding support could enable additional investments (e.g., expanded bathroom access).

Build back a ridership base for the system

The pandemic significantly altered some regional travel patterns, especially as remote work became more common. The state can support investments that enable the transit system to adapt to those changes while also making expanded service levels more financially sustainable in the long term.

Action #1

Identify capital and operational needs and dedicate funding to support Metra's transformation into a regional rail provider. Integrate regional rail planning into future railroad and freight system investments.

Operating costs: New costs would scale depending on corridors and should be expected to grow over time (e.g., incremental $1-10M/year as service is launched)

Capital costs: Cost would vary depending on corridors and timing; full implementation would require at least $250M/year over 10 years for minimally viable model

Action #2

Support station-area development and infill station opportunities to spur economic activity and address gaps in access. Supplement investments with a more comprehensive approach to encouraging transit-supportive land use and development practices.

Operating costs: Minimal

Capital costs: $5-$50M per station depending on site constraints

Action #3

Leverage public assets and investments to foster transit-supportive land use. Create and fund a transit-oriented development implementation pilot program to offer targeted redevelopment assistance for parcels on or near regional transit assets. Adjust eligibility and selection criteria for existing incentive programs (e.g., EDGE

tax credit, sales tax rebates, tax increment financing, and Low-Income Housing Tax Credits) to align more resources with transit-oriented projects.

Capital costs: Could scale depending on incentives and capital investments; investments could range from $25-$50M+annually

Action #4

Reinforce private sector decisions that support transit by requiring employers of a certain scale to set targets for reducing commutes by single occupancy vehicle and incentivizing employers to provide greater support for transit through tax credits, parking cashout policies, or other options.

Operating costs: Initially $0, but could scale depending on incentives

Invest in a universally accessible system

While significant progress has been made to promote the accessibility of the region's transit system, further improvements are needed to address physical, visual, technological, and other barriers.

Action #1

Require and fund the development of a comprehensive plan to prioritize transit accessibility investments and identify a pathway to full transit system accessibility, building on existing accessibility planning efforts. Provide dedicated funding for improvements identified in the plan.

Operating costs: $1-$2M

Capital costs: Funding for improvements could vary widely; a new state funding stream (e.g., $50-80M) could unlock additional federal investments

Action #2

Invest in ongoing efforts to leverage technology to improve transit's digital accessibility and ease of use.

Capital costs: Costs would vary significantly depending on projects; potential $20M investment could support initial efforts

Action #3

Provide additional funding support for regional ADA paratransit service.

Operating costs: Estimated at $220M annually

Action #4

Strengthen non-ADA demand-responsive transit service with improved coordination, integration, and governance. Require and fund the integration of demand-responsive programs at a larger geographic scale (e.g., county level).

Operating costs: Varies depending on scope of reform; unified dial-a-ride at the county level could require $5-10M in funding support

Capital costs: Varies depending on level of integration

HOW TO PAY FOR IT

Bold and creative leadership is needed to both stabilize the current transit system and invest in its future. As shown in figure 2, closing the gap and achieving these ambitious goals will require an annual operating investment of $1.5 billion, supported by complementary capital investments.

How did we get here? The challenges facing transit are not new. Despite repeated efforts, past solutions relied on inadequate funding sources, rigid and inflexible distribution formulas, and other compromises that have not stood the test of time. Outside of the most recent disruptions caused by the pandemic, transit's persistent difficulties have been driven by recurring funding issues that plague the system and shape its decision-making environment. These issues — insufficient and uneven revenue growth, distribution formulas that do not reflect regional ridership trends and system costs, and escalating paratransit costs — have repeatedly prevented transit providers and the region from realizing system goals. Given the ongoing and present challenges, these structural issues must be understood and addressed in tandem with new funding solutions to resolve the current fiscal cliff.

No one strategy or revenue source will produce the desired future state. Rather, a combination of short- and long-term funding options are necessary to both enable consistent, adequate funding across the service boards and empower delivery of the transit system the region wants. This moment presents a rare opportunity to ensure that the entirety of the funding system — new and existing revenues sources alike — support our climate, economic mobility, and equity goals.

Transit funding principles

A strong transit system plays an important role in addressing our shared goals of equity, climate resiliency, and economic growth. New revenue solutions also present the opportunity to solve existing structural funding issues once and for all. The region and state have many options to best meet these goals. As a future funding package is contemplated, CMAP recommends centering the discussion around the following principles:

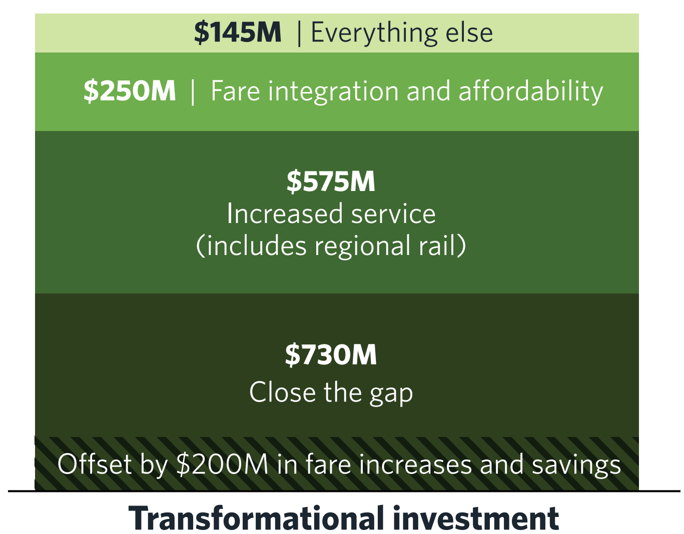
- The transit system must continue to contribute substantial revenues to help meet operating needs
- The state should provide more robust support for transit in northeastern Illinois
- Paratransit must have stable, dedicated funding
- Transportation revenues should fund transportation investments
- Funding solutions should deliver benefits for equity and climate goals
- Revenues must maintain buying power over time

A transformational investment

To achieve "the system we want," the region and state will need to make significant and sustained investments in the transit system. This system will require $1.5 billion in new operating support for transit along with a combination of one-time and at least $400 million in annual capital investments. Notably, this would not address the $20 billion state of good repair backlog the transit system faces.

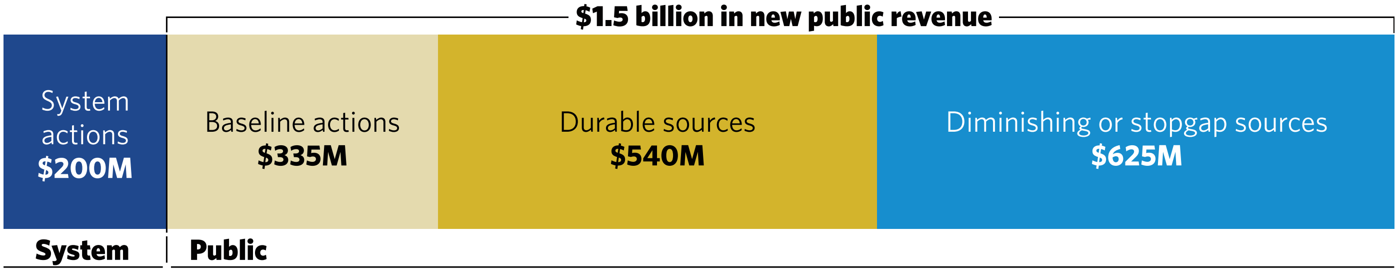
The proposal below is a transformational commitment that reflects the many benefits transit can deliver for the region and the state. It would enable a huge leap forward in modernizing the transit system and creating compelling reasons for riders to return.

Figure 2. Operational cost needs by improvement area



Note: Values are approximate, illustrative of scale, and would require complementary capital investments.

Figure 3: Revenues to support a transformational investment



The region's transit providers and transit riders cannot address this gap alone, but they can contribute to the solution. The state should support and facilitate those efforts through complementary reforms.

System actions	**$200M**
Support transit providers' continued efforts to contain cost growth (e.g., enabling bus priority)	$100M
Ensure fare revenues keep pace with inflation by requiring regular fare increases	$100M

The state can support the transit system by providing dedicated funding for core equity priorities and removing administrative surcharges on existing revenues.

Baseline actions	**$335M**
Fully fund paratransit operating costs to keep pace with growth in demand	$220M
Fully fund existing state reduced fare mandates	$85M
Remove the Illinois Department of Revenue administrative surcharge on the RTA sales tax	$30M

State action will also be required to advance new funding for transit from within the RTA region.

Durable sources	**$540M**
Expand sales tax base, lower state rate — broad selection of services	$315M
New sales tax state match flowing through existing formulas (broad)	$95M
Expand commercial parking tax in downtown Chicago	$65M
In-region vehicle registration surcharge (+$10/car)	$65M

To address the rest of the identified funding need ($625M):

The state should consider a near-term selection of diminishing or stopgap sources...

Durable sources	**$625M**
Raise the RTA sales tax in the region by 0.25% (includes sales tax base expansion)	$545M
Increase tolls on existing Tollway facilities (excluding trucks)	$180M
Enact a motor fuel tax surcharge in the RTA region (+ $0.05/gallon)	$135M

...while planning for stable long-term revenues that align with climate, equity, and mobility goals.

Long-term revenue sources
Direct CMAP to undertake a feasibility study on how a road usage charge could be adopted and leveraged to support transit and achieve other co-benefits
Expand tolling to un-tolled expressways
Implement cordon pricing in the Chicago central business district
Evaluate how to financialize future carbon policies

Many of these revenue sources — such as road usage charges, flexing federal funds, and congestion pricing — could also be used to support complementary capital investments.

GOVERNANCE

In directing CMAP to evaluate governance reform in the PART enabling statute, the legislature recognized the connections between how transit is governed and the system's effectiveness in delivering successful, rider-centric service. Governance also plays a critical role in ensuring responsible financial stewardship of public resources, which is crucial when making the case for expanded investment.

Importantly, in isolation, governance reforms cannot address the longstanding financial challenges northeastern Illinois' transit system faces. The region needs more resources to succeed. Governance reform can, along with a suite of system improvement and funding solutions, maximize the efficiency of transit functions and strengthen responsible financial stewardship of scarce resources.

Baseline principles for reform

PART's proposed governance reforms address challenges surrounding coordinated decision making, funding allocation, service coordination, accountability, and identified regional and state roles. To effectively address these challenges, the following baseline principles should be considered when implementing any sort of transit governance reform, regardless of the desired structure.

Funding allocation

- Prioritize regional goals and decision making instead of statutory funding formulas
- Grant more regional discretion over how funds are allocated within the system

Regional coordination of transit functions

- Implement the regional decision making and oversight necessary to advance system goals
- Provide sufficient tools to strengthen and re-envision the regional entity

Performance metrics and farebox recovery ratio

- Reduce the farebox recovery ratio requirement
- Empower the regional agency to look beyond the fare recovery ratio and set updated performance metrics based on regional strategies and goals

Regional board structure and appointments

- Design board appointments and voting structures to advance regional progress while building local consensus
- Integrate more regional perspectives
- Provide a greater role for the state, especially as it increases funding support
- Ensure that regional board membership reflects population, ridership, and funding sources
- Appoint board members with relevant and diverse experiences
- Provide avenues for local input

Governance today and options for structural reform

The PART report identifies two options for structural reform, as shown in figure 4. Both options would better align the region's transit system with PART's governance principles.

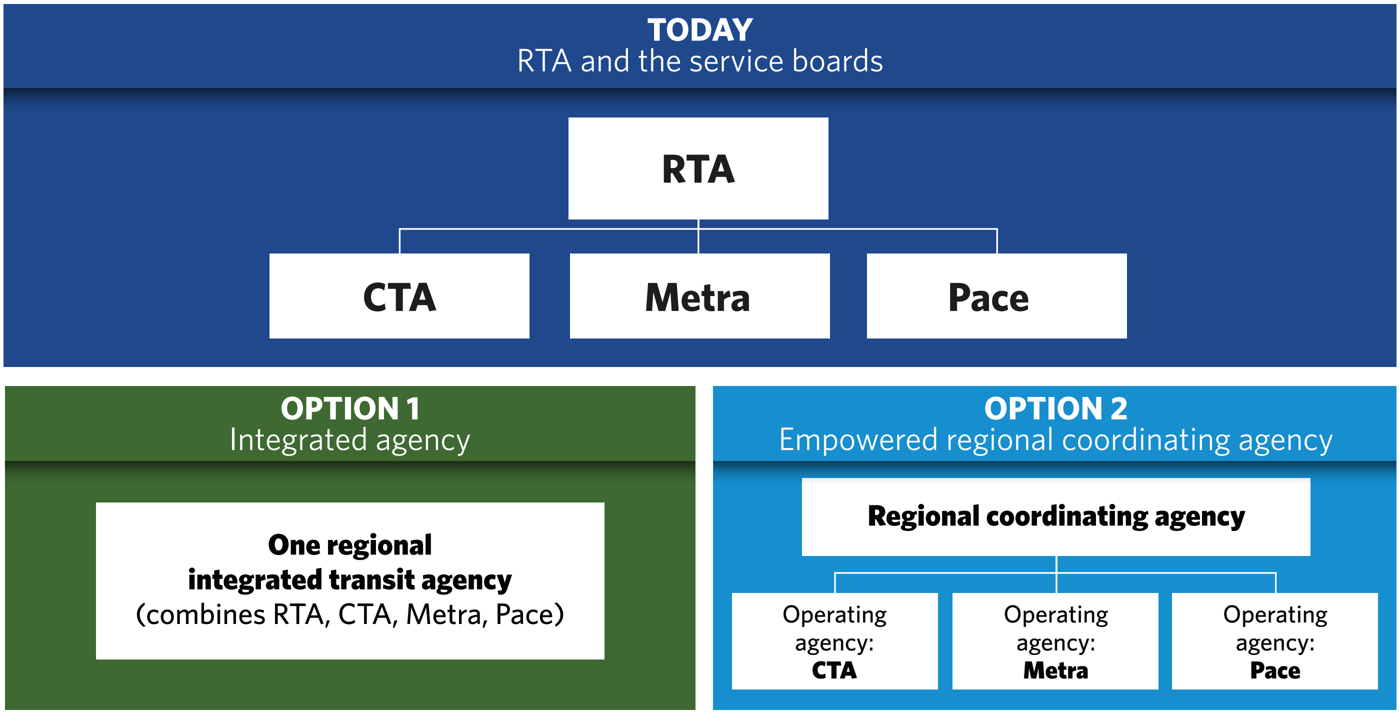
Option 1: Integrate the RTA and the service boards into one regional transit entity

The service boards' current service delivery responsibilities would be divided among service units. The regional agency would be represented by one board and one agency executive. To provide additional opportunities for input, the operating units could be represented by service committees that report to the regional board.

Option 2: Empower a regional coordinating agency to lead transit across the service boards

The three service boards would continue to exist as three separate agencies led by a regional coordinating agency. The service boards would provide transit operations and local service planning, while the regional entity would be strengthened with greater authority and resources to develop regional policies, coordinate comprehensive mobility planning, and allocate funding to the service boards. All four agencies would have their own agency executives and governing boards.

Figure 4. Overview of governance reform options vs. today



Transition to a new governance structure: Along with enabling the system improvements needed to strengthen the region's transit system and passing a financial package that will sufficiently meet the region's needs, PART recommends the following actions to implement governance reform:

1. Select a preferred approach to governance reform and develop and fund an implementation plan that identifies clear timelines, costs, and strategies to mitigate equity and mobility impacts. The implementation plan should also include an approach to performance measures, bylaw recommendations, and a transition framework.

2. Establish an implementation working group with service boards, legal counsel, transit experts, and others (e.g., CMAP) to execute on the implementation plan.

3. Enact governance reforms; oversee and monitor implementation to ensure success in conjunction with broader investments in strengthening the region's transit system.

Collectively, these recommendations are in service of a stronger, more user-centric transit system. While the scale of investment is great, the cost of inaction to our region and state is far greater. CMAP stands ready to partner with the General Assembly, the Governor's Office, the service boards, and other stakeholders to reimagine and reshape the future of our regional transit system.

Questions?

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The Chicago Metropolitan Agency for Planning (CMAP) is the region's comprehensive planning organization. The agency and its partners developed and are now implementing ON TO 2050, a long-range plan to help the seven counties and 284 communities of northeastern Illinois implement strategies that address transportation, housing, economic development, open space, the environment, and other quality-of-life issues.

See **cmap.illinois.gov** for more information.

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